

July 2, 2007

Dear Valued Customer:

This letter is being sent to assist in the departments' effort to communicate the changes in cost recovery billing and fee structure implemented July 1, 2007, that are specific to the development community.

Cost recovery billing will be charged for each meter inspection completed. The billing amount will vary and is based on actual cost. The charges will be included on the MWS monthly bill for service.

Water and sewer tap fee changes are also based on cost recovery and are as follows:

|     | Water   | Sewer   |
|-----|---------|---------|
| ¾"  | \$430   |         |
| 1"  | \$610   |         |
| 2"  | \$780   |         |
| 3"  | \$1,300 |         |
| 4"  | \$1,730 | \$860   |
| 6"  | \$2,590 |         |
| 8"  | \$3,460 | \$2,590 |
| 10" | \$5,190 | \$6,050 |
| 12" | \$6,200 | \$6,900 |
| 15" |         |         |

The Water and Sewer capacity fee will remain at \$1,000 and \$2,000 per unit of flow.

The fee schedule for water and sewer plans review by MWS Engineering is as follows:

| Type of Construction                                        | Review Fee          |
|-------------------------------------------------------------|---------------------|
| Water or Sewer Pump Station                                 | \$500               |
| Pumping Station Specifications                              | \$150               |
| Water Line 1-1000'                                          | \$500               |
| Water Line >1000'                                           | \$500 + \$0.05/ft   |
| Sewer Line 1-1000'                                          | \$500               |
| Sewer Line > 1000'                                          | \$500 + \$0.50 / ft |
| Water / Sewer Plans Modifications - 20% of original charges |                     |
| Miscellaneous Reports / Addendums - \$150 per submittal     |                     |
| Water/Sewer Availability Study Request                      | \$500               |

On the back of this sheet you will find a summary of other fee and policy changes. For additional information please visit our website at <http://www.nashville.gov/water>.

Sincerely,

Mary Ellen Jackson  
Customer Service Assistant Manager-Permits

| <b>Description</b>                        | <b>New Fee Amount</b>                                | <b>Effective Date</b>                |
|-------------------------------------------|------------------------------------------------------|--------------------------------------|
| Late Payment Charge                       | Greater of 5% of net current balance OR \$10 minimum | August 1, 2007                       |
| Elimination of Evolution Rate             |                                                      | August 1, 2007                       |
| New Account Connection Fee                |                                                      |                                      |
| Same Day                                  | \$ 35                                                |                                      |
| Next Day                                  | \$ 25                                                | July 1, 2007                         |
| Reconnection Fee                          |                                                      |                                      |
| Same Day                                  | \$ 50                                                |                                      |
| Next Day                                  | \$ 25                                                | July 1, 2007                         |
| Non-sufficient funds fee                  | \$ 30                                                | June 20, 2007                        |
| Vacant property readiness to serve charge | \$10 per month                                       | September 1, 2007 (billed quarterly) |
| Private Fire Readiness to Serve Charge    | Under Review by Raftelis                             | August 1, 2007                       |
| Grease Collection Inspection Fee          | \$ 120                                               | September 1, 2007 (billed quarterly) |
| Cost Recovery for Bad Debt Collections    | PAS Cost                                             | August 1, 2007                       |
| Straight Line Illegal Connection          | \$100                                                | July 1, 2007                         |
| Broken Lock                               | \$55                                                 | July 1, 2007                         |
| Flow Test                                 | \$101 per hour                                       | July 1, 2007                         |